



ABN 39 155 151 207

11 July 2022

**Company Announcements
ASX Limited**

PLACEMENT TO COMPLETE DFS

Estrella Resources Ltd (ASX: ESR) (Estrella or the Company) is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise \$2,084,375 (before costs) through a placement of 119,107,144 shares at an issue price of \$0.0175 per share (**Placement Shares**), together with 1 free attaching option exercisable at \$0.04 and expiring 30 October 2023 (**Placement Options**) for every 2 Placement Shares subscribed for and issued (**Placement**) totalling 59,553,572 Placement Options. The company's drillers Topdrive Drillers Australia Pty Ltd have agreed to accept \$200,000 included in this Placement (on same terms as the Placement) in lieu of fee's owing for provision of drilling services at Carr Boyd.

The Placement Shares will be issued without shareholder approval utilising the Company's existing placement capacity. The Placement Shares will rank equally with existing fully paid ordinary shares on issue in the Company and quotation of the Placement Shares is expected to occur on or about Friday, 15 July 2022.

The Placement Options, will be issued subject to receipt of shareholder approval, which will be sought as soon as practicable and in any event no later than at its AGM in November. The Placement Options will be issued under a prospectus following shareholder approval and the Company intends to seek quotation of the Placement Options (subject to satisfaction of the quotation requirements of the ASX Listing Rules) shortly thereafter.

Directors of the Company have agreed to subscribe for a total of 2,857,142 Placement Shares and 1,428,571 Placement Options (on the same terms as the Placement) to raise an additional \$50,000 (**Director Participation**). The Company will also seek shareholder approval for the Director Participation in accordance with the ASX Listing Rules.

Indicative Use of Funds

The Company intends for the funds raised from the Placement will be primarily used to complete the Definitive Feasibility Study for the 5A nickel mine at Spargoville which is already well advanced and will bring the mine closer to production, continuing diamond drilling activities at Carr Boyd Ni/Cu Project, as well as general working capital.



ABN 39 155 151 207

Details of the Placement

119,107,144 Placement Shares will be issued pursuant to the Company's placement capacity under Listing Rule 7.1.

The issue price of \$0.0175 represents a 20% discount to the last trading price of \$0.022 on 5 July 2022 and a discount of 13% to the 15-day volume weighted average price of the Company's shares traded on ASX of \$0.020.

The Placement was managed by LoftusLane Capital Partners Pty Limited (**LoftusLane**). LoftusLane will receive a fee of 6% of the gross proceeds they raised under the Placement. LoftusLane (and/or their nominee) will also receive (subject to shareholder approval) 5m options exercisable at \$0.04 and expiring 30 October 2023 (**Lead Manager Options**), being the same terms as the Placement Options.

The Company will seek shareholder approval for the issue of the Placement Options, Lead Manager Options and the Director Participation. In the event that shareholders do not approve the issue of these securities, they will not be issued. A notice of meeting will be dispatched as soon as practicable.

ENDS

The Board of Directors of Estrella Resources Limited authorised this announcement to be given to ASX.

For Further Information Contact

Christopher J. Daws
Managing Director

+61 8 9481 0389

E-mail: info@estrellaresources.com.au